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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT ISSUED UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Period Ended December 31, 1991

Commission file number ~~33-15925-NY~~ 0-19395

ROCK•A•BYE BABY, INC. DE
(Exact name of registrant as specified in its charter)

Delaware	13-3445126
State of other jurisdiction of incorporation)	(IRS Employer Identification Number)

PROCESSED BY
JUN 11 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

1404 Southwest 13th Court Pompano Beach, Florida 33069

(Address of principal Executive offices) (Zip Code)

Registrant's telephone number, including area code (305) 942-7990:

Indicate by a checkmark whether the registrant has filed all documents and reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_____ No__X__

Indicate the number of shares outstanding of each of the issuer's classes common stock, as of the latest practicable date.

Class	Outstanding at December 31, 1991
Common Stock, $0.01 par value	14,236,880

INDEX TO FORM 10-Q

QUARTER ENDED DECEMBER 31, 1991

	Page Number
Part I - Financial Information:	
Item 1 - Financial statements:	
Consolidated Balance Sheet - December 31, 1991	3
Consolidated Statement of Operations for the Three months Ended December 31, 1991 and 1990	5
Consolidated Statement of Cash Flows for the Three Months Ended December 31, 1991, and 1990	6
Notes to Consolidated Financial Statements	8
Item 2 - Management's Discussion and Analysis of Financial Conditions and Results of Operations	12
Part II. Other Information	
Item 7. Legal Proceedings	14

ROCK•A•BYE BABY,INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

ASSETS	December 31, 1991	June 30, 1991
Current assets:		
Cash	$ 62,307	$ 458,756
Marketable securities	399,721	395,290
Accounts receivable	248,729	375,207
Inventory	449,310	356,621
Other current assets	32,689	22,123
Total current assets	1,192,756	1,607,997
Furniture and equipment	144,913	92,181
Accumulated depreciation	(24,152)	(15,604)
	120,761	76,577
Note receivable	300,000	300,000
Investment	115,000	45,000
Intangible assets	247,391	82,009
Other assets	6,199	6,199
Total assets	$1,982,107	$2,117,782

See accompanying notes to financial statements

ROCK-A-BYE BABY, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1991	June 30, 1991
Current liabilities:		
Line of Credit	$ 70,000	$
Advance from officer and shareholder	-	70,000
Notes payable to related parties	188,350	188,350
Accounts payable and accrued expenses	551,441	793,777
Total current liabilities	809,791	1,052,127
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred Stock	400	
Common stock	140,592	140,592
Additional paid-in-capital	3,717,404	3,317,804
Retained deficit	(2,686,080)	(2,392,741)
Total stockholders' equity	1,172,316	1,065,655
Total Liabilities	$ 1,982,107	$ 2,117,782

See accompanying notes to financial statements

ROCK•A•BYE BABY, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	Three Months Ended December 31,		Six Months Ended December 31,	
	1992	1991	1992	1991
Sales	$ 404,320	$ 142,953	$ 769,472	$ 299,212
Cost of goods sold	222,376	93,344	432,681	200,071
Gross profit	181,944	49,609	336,791	99,141
Selling, general and administrative	430,299	132,775	697,622	256,459
Operating loss	(248,355)	(83,166)	(360,831)	(157,318)
Other income (expense):				
Interest expense	(18,941)	(14,500)	(27,941)	(27,800)
Interest income	9,263	-	22,277	-
Other income (expense)	70,000	(148,193	72,661	(148,193)
	60,322	(162,693)	67,492	(175,993)
Net profit (loss)	$(188,033)	$(245,859)	$(293,339)	$(333,311)
Net loss per share	$ (.013)	$ (.08)	$ (.02)	$ (.12)
Weighted average shares outstanding	14,059,210	2,914,170	14,059,210	2,774,568

See accompanying notes to financial statements

ROCK•A•BYE BABY, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Six Months Ended December 31,	
	1991	1990
Net profit (loss)	$(293,339)	$(333,311)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	8,548	1,922
Write off of intangible	-	-
Value of stock issued for acquisition of Advanced Industries, Inc.		148,193
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	126,478	(51,984)
Inventory	(92,689)	(30,830)
Other current assets	(10,566)	(66,715)
Other assets	-	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(242,336)	27,622
Total adjustments	(210,565)	(27,717)
Net cash (used in) operating activities	(503,904)	(305,594)

See accompanying notes to financial statements

ROCK•A•BYE BABY, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Six Months Ended December 31,	
	1991	1990
Cash flows from investing activities		
Purchase of license agreements	(165,382)	(15,000)
Purchase of equipment	(52,732)	(2,751)
Investment in marketable securities	(4,431)	-
Deposits	-	(2,378)
Net cash provided from (used in) investing activities	(222,545)	(20,706)
Cash flows from financing activities:		
Payment of:		
Notes payable related party	-	(98,500)
Advance to officer and shareholder	(70,000)	-
Common stock canceled	-	(10,827)
Proceeds from:		
Line of Credit	70,000	-
Issuance of preferred stock	400,000	500,000
Net cash provided from (used in) financing activities	400,000	(390,673)
Net increase (decrease) in cash	396,449	64,373
Cash at beginning of period	458,756	4,397
Cash at end of period	$ 62,307	$ 68,770

See accompanying notes to financial statements

NOTE 1: BASIS OF PRESENTATION

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods.

The information contained in Form 10-Q should be read in conjunction with the Company's Form 10-K for the year ended June 30, 1991.

The results of operations for the three and six month periods ended December 31, 1991 are not necessarily indicative of the results to be expected for the full year.

NOTE 2: INVENTORIES:

The composition of inventories at December 31, 1991 and June 30, 1991 are as follows:

	December 31,	June 30,
Components	$197,656	$290,018
Finished goods	251,654	66,603
	$449,310	$356,621

NOTE 3: INVESTMENTS AND ACQUISITION

On April 8, 1991, the Company purchased $300,000 of 10% Convertible Notes from Creative Learning Products, Inc. ("Creative"), a public company which manufactures and markets children's educational products. The notes are convertible into 300,000 shares of Creative Common Stock and due March 1, 1996. Creative is related to the Company by having a common director. Creative gave the Company 70,000 shares of its common stock valued at $.64 each as a fee for the Company to make the investment. The Company recorded this fee of $45,000 as Other income placement fee.

On October 17, 1991, the Company was given an additional 70,000 shares of Creative Common Stock, due to the decline in the market price of the underlying shares. At September 30, 1991, the common stock of Creative was trading at $.875 per share.

NOTE 4: LINE OF CREDIT

In fiscal year 1991, the Company negotiated a line of credit with a financial institution for borrowings of up to $300,000 bearing interest at the annual rate of the prime rate plus one to be due June 30, 1992 and to be secured by marketable securities held by the financial institution's related company The securities had a market value of $399,721 as of December 31, 1991.

NOTE 5: INCOME TAXES

The Company has a net operating loss carryforward for financial reporting and tax purposes of approximately $2,600,000 available to the year 2005 which may be used to reduce future taxable income. Because of the change in ownership, a portion of the net operating loss carryforwards are subject to limitations based upon Code Section 382 of the Internal Revenue Code of 1986. As a result of the Code Section, the net operating losses may not be currently utilized.

NOTE 6: LOSS PER COMMON SHARE

Loss per common share has been computed by dividing the net loss for the period indicated by the weighted average common shares outstanding.

NOTE 7: COMMITMENTS:

On October 15, 1991, the Board authorized an amendment to the President's agreement (1) deleting, on a retroactive basis to March 1, 1991, the prior provision relating to the payment of incentive compensation mentioned above; and (2) providing that his annual base salary be increased to $120,000 and $126,000 effective as of October 1, 1991 and July 1, 1992, respectively; (3) he was also granted a warrant expiring October 31, 1995 to purchase 500,000 shares of the common stock at $1.00 per share and was granted "piggy-back" registration rights with respect to such shares.

NOTE 8 SUBSEQUENT EVENTS

In September, 1991, the Company began to offer by a private placement memorandum up to 200,000 shares of its 12% Series B Convertible Preferred Stock at a price of $10.00 per share or gross proceeds of $2,000,000. Each share of the Series B Preferred Stock is convertible, in multiples of 100 shares of the Preferred Stock, into 1,250 shares of the Common Stock. If all 200,000 shares of the Series B Preferred Stock are converted, an aggregate of 2,500,000 shares of the Common Stock will be issued. No shares of the Series B Preferred Stock may be converted unless the shares of the Common Stock into which the Series B Preferred Stock is convertible are registered. The Company has the obligation to file as expeditiously as possible after the closing date a registration statement.
As of April 30, 1992 65,000 shares of the Series B Preferred stock had been sold.

NOTE 9 PRODUCT ACQUISITIONS

Bathtime Baby Products

The Company entered into an agreement on August 30, 1991 with Bathtime Baby, Inc. ("Bathtime Baby") and its President for the exclusive license to produce and market Bathtime Baby Products, a line of children's terry cloth bath accessories, including the patented "Easy Dry Baby Towel" product.

Pursuant to the terms of the agreement, the Company paid a one-time licensing fee of $56,400 (of which $15,000 was paid in November, 1991 by the issuance of 15,000 shares of the Company's common stock). Royalty payments under the agreement are five percent of the "net wholesale price" (as defined) of the products. The Company also agreed to pay, beginning in the second year of the agreement and for each succeeding year, a minimum guaranteed annual royalty of $20,000, pro-rated monthly. Pursuant to the terms of the agreement, any new products, procedures or technology developed by Bathtime Baby become the property of the Company. The licensing agreement with Bathtime Baby also gives the Company control of Bathtime Baby's production facility in Selma, Alabama. The Company commenced sales of the product line at the JPMA Show in October, 1991.

My Potty Game Product

Pursuant to a ten-year renewable agreement dated July 1, 1991, the Company acquired the licensing rights to the My Potty Game product, a unique toilet training program for toddlers. The Company commenced sales of the My Potty Game product at the JPMA Show in October, 1991.

NOTE 9 PRODUCT ACQUISITIONS (Continued)

My Potty Game Product (Continued)

Under the agreement, the Company paid a one-time licensing fee of $15,000 and, in November, 1991, will issue 10,000 shares of the common stock, which shares the Company has agreed to register whenever it files its next registration statement under the Securities Act of 1933, as amended (the "Securities Act"). The Company has also agreed to pay annual royalty payments of five percent of the "net wholesale price" (as defined) and has the option to terminate the agreement at the end of the third year by paying the royalty amount due for that year.

Shield•A•Burn Product

On September 27, 1991, the Company entered into an agreement with SAB Products, Inc. ("SAB") for the exclusive license to manufacture and market "Shield-A-Burn", a proprietary product which mounts on kitchen stoves and cook tops to prevent toddlers from touching hot burners or pots on top of the stove, and guards against other stove-top related accidents.

Pursuant to the agreement, the Company paid a one-time licensing fee of $15,000, and is obligated to make royalty payments monthly at the rate of 3.5% of the net wholesale price on all sales of $9.00 per unit or less, and 5% of the net wholesale price on all sales of $9.01 or more. The term of the license agreement is ten years, with one renewal term of five years exercisable by the Company at its option.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Sales for the three-month period ended December 31, 1991 increased by $261,367 or 183% over sales in the comparable period ended December 31, 1990. Sales for the six-month period ended December 31, 1991 increased by $470,260 or 157% over the comparable period in 1990. Management attributes these sales increases to the expanded product line and increased customer base both achieved during calendar 1991. Management believes, however, that it's ability to generate sales increases beyond those attained was hampered by the inability of its investment banking firm to provide the funds required for this continued expansion in a timely manner. Cost of goods sold in the three-month period ended December 31, 1991 was 55% of sales, compared to 65% of sales in the same period of 1990. Cost of goods sold for the six-months ended December 31, 1991, was 56% of sales compared to 66% in the same period of 1990. The gross profit margin for the three month period ended December 31, 1991, was 45% compared to 35% in the comparable period ended December 31, 1990. The gross profit margin for the six-month period ended December 31, 1991, was 44% compared to 34% in the comparable period ended December 31, 1990.

Included in the selling, general, and administrative expenses for the three-month period ended December 31, 1992, is a one-time charge of $70,000 related to the Company's investment in Creative Learning Products, Inc. Normal selling, general and administrative expenses during the three-month period ended December 31, 1991 increased by $227,524 or 171% over such expenses in the comparable period ended December 31, 1990. Selling, general and administrative expenses during the six-month period ended December 31, 1991 increased by $371,163 or 145% over the comparable period ended December 31, 1990. Management attributes the increased costs to items directly related to increased sales, specifically additional payroll, sales commissions, and royalty payments on licensed products. Additionally the company continued to incur unusually high professional fees related to it's registration statement and private placement, as well as it's litigation with Knight Industries, Inc., which is discussed in detail herein. Finally, one-time costs related to the acquisition and licensing of the Bathtime Baby product line and Shield•A•Burn, and advertising and promotional expenses connected with the introduction of these products and the Company's increased trade show schedule, contributed to these increased expenses. The net loss for the three-month period ended December 31, 1991 decreased by $57,826 or 23.5% compared to the three-month period ended December 31, 1990. The net loss for the six-month ended December 31, 1991, decreased by $39,972 or 12% compared to the same period ended December 31, 1990.

Results of Operations (continued)

Because many vendors were concerned about the Company's financial condition in the past, the Company has been required to prepay for certain merchandise required for product manufacture. Management anticipates that, as the Company's operational results improve and vendors become aware of the Company's improved liquidity, the problem will disappear; however, there is no assurance that this will happen and, if it does, when. In addition, because many of the Company's manufacturing sources are located outside the United States, the Company must conform to the industry standard of paying for products manufactured on its behalf up to 90 days prior to receipt of such products through the issuance of letters of credit. The Company then, in many instances, has to wait as long as 90 days to receive payment for the products from its customers. This nearly six-month time span from payment to collection puts serious constraints on the Company's cash flow.

Liquidity and Capital Resources

As of December 31, 1991, the Company had a stockholders' equity of $1,172,316, an increase of $106,661 from the stockholders' equity of $1,065,655 as of June 30, 1991. The Company had working capital of $382,965 as of December 31, 1991, compared with working capital of $555,870 as of June 30, 1991.

The Company has begun to offer by a private placement memorandum up to 200,000 shares of its 10% Series B Convertible Preferred Stock at a price of $10.00 per share or gross proceeds of $2,000,000 of which $650,000 has been received by December 1, 1991. Each share of the Series B Preferred Stock is convertible, in multiples of 100 shares of the Preferred Stock, into 1,250 shares of the Common Stock. If all 200,000 shares of the Series B Preferred Stock are converted, an aggregate of 2,500,000 shares of the Common Stock will be issued. No shares of the Series B Preferred Stock may be converted unless the shares of the Common Stock into which the Series B Preferred Stock is convertible are registered. The Company has the obligation to file as expeditiously as possible after the closing date a registration statement. As od April 30, 1992, 65,000 shares of the Series B Preferred Stock has been sold.

Part II. Other Information

Item 7. Legal Proceedings

On February 6, 1991, Knight Industries, Inc. instituted an action against the Company in Broward County, Florida, Circuit Court, seeking $205,150, plus interest, based on notes payable by the Company to Knight when the companies were under common control. Because the Company has previously reflected in its balance sheet $188,350 of the claimed indebtedness in the legal proceeding and has asserted certain defenses to the allegations of Knight, as well as material counterclaims against Knight, management has been of the opinion that resolution of this action will not have any materially adverse impact on the Company's financial condition.

On April 20, 1992, the Company resolved its dispute with Knight, settling all claims and exchanging mutual releases. As a result of this agreement, the notes payable were satisfied for the payment of $87,500 and other considerations, including 150,000 shares of the Company's common stock, and 120,000 shares of the common stock of Creative Learning Products, Inc., held by the Company. The Company also agreed to transfer to Knight 100,000 shares of the stock of Medical Telecom and the approximate 5,000,000 shares of Knight common stock held by the Company, these shares having been carried on the balance sheet of the Company at no value.

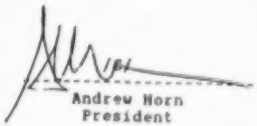
On April 7, 1992, the Company declared Creative Learning Products in default of its agreement under which the Company purchased $300,000 of Creative's Convertible Preferred Notes. On May 4, 1992, the Company reached a new agreement with Creative and withdrew its notice of default. Under the terms of the new agreement, Creative has brought its payment of interest current, has agreed to pay interest monthly, and has agreed to commence immediately a registration statement covering the common shares underlying the Convertible Notes as well as the Convertible Preferred Shares owned by the Company. Additionally, Creative has guaranteed the $300,000 value of the shares underlying the Notes, once registered, by agreeing to provide additional registered shares or pay in cash to the Company the difference between the amount the Company realizes from the eventual sale of the registered shares and the $300,000 face value of the Notes. Finally, Creative has also agreed, in the event its current efforts to raise funds secure funds in excess of $500,000, to repurchase the Notes from the Company on a pro-rata basis, with the opportunity to secure a 10% discount if all Notes are repurchased within one year of the date of the agreement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 1, 1992

ROCK•A•BYE BABY, INC.
(Registrant)



Andrew Horn
President

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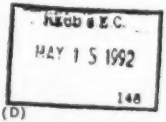
FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended March 31, 1992 Commission File No. 2-68795

SEARCH NATURAL RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Delaware	41-1356819
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4900 First City Center, 1700 Pacific Avenue, Dallas, Texas 75201
(Address of principal executive offices)

Registrant's telephone number, including area code: (214) 954-0946

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _____

As of May 14, 1992, there were 3,145,630 shares outstanding of Registrant's $.01 par value common stock.

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MAY 19 1992

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Q-Data Corp. - St. Petersburg, FL

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEARCH NATURAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	March 31, 1992	December 31, 1991
ASSETS		
Automobile contract receivables, net	$2,670,000	$ 1,280,000
Cash and cash equivalents (carrying value approximates market value)	62,000	194,000
Restricted cash	654,000	466,000
Notes receivable - related party	213,000	163,000
Other receivables	148,000	44,000
Vehicles held for resale	145,000	45,000
Deferred notes payable offering costs, net of amortization of $62,000 and 30,000, respectively	738,000	461,000
Furniture, equipment and other assets, net of accumulated depreciation of $61,000 and $52,000, respectively	179,000	163,000
Proved oil and gas properties, full cost method, net of amortization of $40,000 and $41,000, respectively	10,000	10,000
	$4,819,000	$2,826,000

SEARCH NATURAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 1992	December 31, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
Investor funds in escrow	$ -	$ 86,000
Notes payable	3,886,0000	1,923,000
Accounts payable	260,000	236,000
Accrued interest	70,000	41,000
Preferred Dividends Payable	32,000	-
Total liabilities	4,248,000	2,286,000
Preferred Stock - Class B, $.01 par value, 11% cumulative, 582,510 shares issued and outstanding (liquidation preference of $1,148,000 plus accrued dividends)	1,183,000	1,183,000
Less note receivable	(1,088,000)	(1,088,000)
Net Preferred Stock-Class B	95,000	95,000
Stockholders' Equity (Deficit):		
Preferred stock - class A, $.01 par value, 9% cumulative, no shares issued or outstanding	-	-
Common stock, $.01 per value, 20,000,000 shares authorized, 4,915,894 shares issued	49,000	49,000
Additional paid-in capital	5,207,000	5,207,000
Treasury stock at cost, 1,770,219 shares	(51,000)	(51,000)
Accumulated deficit	(4,728,000)	(4,760,000)
Total Stockholders' Equity (Deficit)	476,000	445,000
	$ 4,819,000	$ 2,826,000

SEARCH NATURAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 1992	1991
Interest income	$ 332,000	$ 30,000
Interest expense	(121,000)	-
Net interest income	211,000	30,000
General and administrative expenses	153,000	59,000
Other Income (Expenses):		
Oil and gas sales	5,000	5,000
Total Other Income (Expense)	148,000	54,000
Income from continuing operations	63,000	(24,000)
Discontinued Segment:		
(Loss) income from operations	-	(65,000)
Net income (loss) before taxes	63,000	(89,000)
Income taxes	21,000	-
Net income	42,000	89,000
Extraordinary Item:		
Utilization of net operating loss carryforward	21,000	-
Net Income (Loss)	63,000	89,000
Preferred stock dividends	(32,000)	32,000
Net income (loss) attributable to common shareholders	$ 31,000	$ (121,000)
Income (loss) per share attributable to common shareholders:		
Income (loss) from continuing operations	$ .02	$ (.01)
Net income (loss)	$ .01	$ (.04)
Weighted average number of common shares outstanding	3,146,000	3,146,000

SEARCH NATURAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 1992	1991
OPERATING ACTIVITIES:		
Net income (loss)	$ 31,000	$ (121,000)
Adjustments to reconcile to cash from operations:		
Depreciation, amortization and impairment	181,000	10,000
Changes in assets and liabilities:		
Accounts receivable	(104,000)	11,000
Accounts payable and accrued expenses	(1,000)	70,000
Other, net	-	12,000
Cash provided by (used in) operations	107,000	(18,000)
INVESTING ACTIVITIES:		
Purchase of contract receivables	(1,699,000)	-
Principal payments on contract receivables	69,000	-
Investment in oil and gas partnership	-	(34,000)
Payments for furniture, equipment and other assets	(25,000)	-
Increase in certificates of deposit and restricted cash	(188,000)	-
Increase in notes receivable	(50,000)	(48,000)
Cash provided by (used in) investing activities	(1,893,000)	82,000

SEARCH NATURAL RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 1992	1991
FINANCING ACTIVITIES:		
Notes payable proceeds	2,005,000	-
Notes payable repayments	(42,000)	-
Notes payable offering costs	(309,000)	-
Cash provided by (used in) financing activities	1,654,000	-
Change in cash and cash equivalents	(132,000)	(100,000)
Cash and cash equivalents - beginning	194,000	452,000
Cash and cash equivalents - ending	$ 62,000	$ 352,000
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	$ 121,000	$ -

SEARCH NATURAL RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL INFORMATION

The information presented herein includes adjustments which the company believes are necessary for fair presentation of its financial position and results of operations. Substantially all of the disclosures required for annual financial reports have been omitted. These interim financial statements are related notes are unaudited, and should be read in conjunction with the Company's annual report on Form 10-K for the year ended December 31, 1991.

In April, 1991, the Company acquired a 70% interest in Automobile Credit Acceptance Corp. ("ACAC"), an emerging consumer finance company specializing in the purchase, packaging, and reselling of consumer automobile notes to investors. At March 31, 1992, the company had completed and closed four funds, the Automobile Credit Fund 1990-I, Ltd., for $330,000, the Automobile Credit Fund 1991-II, Ltd., for $1,000,000, the Automobile Credit Fund 1991-III, Inc., for $1,000,000, and the Company's first public fund, Automobile Credit Finance, Inc., for $1,707,000. As of April 30, 1992, the Company has raised an additional $726,000 in its public Automobile Credit Finance, Inc. fund, which will close at May 31, 1992. Finally, during April, 1992, the Company raised an additional $1,000,,000 for Automobile Credit Partners, Inc. ("Partners"). Partners is not owned by Search, but is owned by Arlington Paper Traders, Inc., an affiliate of Consumer-Dealer AutoCredit Corporation, who acts as the primary sub-purchaser and servicer for AutoCredit Funds. For its efforts in Partners, ACAC received a $75,000 marketing and organization fee, plus 50% of all residual profits of Partner's profits net of return of investors $1,000,000 investment repayment. These April, 1992 amounts will be presented on the Company's financial statements in appropriate fashion in its June 30, 1992 quarterly report. After repayment of investor principal and interest, ACAC will retain the ownership and benefit of residual profits, net of payments to auto note sub-servicers and purchasers.

2. INSTALLMENT RECEIVABLES

Installment contract receivables primarily require bi-weekly or semi-monthly payments and as of March 31, 1992 consisted of the following:

Future payments receivable related to installment notes	$ 4,808,000
Less: unearned interest income	(1,176,000)
Principal portion of notes receivable	3,632,000
Less: allowance for credit losses	(962,000)
	$ 2,670,000

At March 31, 1992, contractual maturities of installment receivables were as follows:

	Year Ending December 31,			
	1992	1993	1994	Total
Future payments receivable	$1,731,000	$2,308,000	$769,000	$4,808,000
Less unearned interest income	(646,000)	(490,000)	(40,000)	(1,176,000)
	$1,085,000	$1,818,000	$729,000	$ 3,632,000

In the opinion of management, a certain portion of the customer loan portfolio will be repaid or extended either before or past the contractual maturity date. The above tabulation, therefore, is not to be regarded as a forecast of future cash collections.

The change in the allowance for credit losses is summarized as follows:

Balance, December 31, 1991	$ 439,000
Allowance recorded upon acquisition of loans	673,000
Loans charged off	(150,000)
Balance, March 31, 1992	$ 962,000

Most of the Company's installment receivables are due from individuals in the Dallas/Fort Worth metropolitan area of Texas, and to some extent, realization of the receivables will be dependent on the health of the local economy. The Company holds vehicle titles as collateral for all installment receivables until such receivables are paid in full.

3. NOTES PAYABLE

Notes payable and related terms and interest rates as of March 31, 1992 consisted of the following:

Notes payable to investors in Fund 90-I, bearing interest at 15%, principal payments totalling $13,750 and interest are due each month through April 15, 1993.	$ 179,000
Notes payable to investors in Fund 91-II, bearing interest at 21%, monthly interest payments at 15% are due through August 15, 1994 at which time principal and the remaining interest accrued at 6% is due.	1,000,000
Notes payable to investors in Fund 91-III, bearing interest at 21%, monthly interest payments at 15% are due through January 15, 1995 at which time principal and the remaining interest accrued at 6% is due.	1,000,000
Notes payable to investors in Public Fund, bearing interest at 18%, monthly interest payments at 15% are due through January 15, 1995 at which time principal and the remaining interest accrued at 3% is due.	1,707,000
	$ 3,886,000

Installment contract receivables of the applicable Autocredit Funds are pledged as collateral for the notes payable.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

The Company's liquidity and financial condition improved during the quarter ended March 31, 1992. Funds received from ACAC activities continue to grow, allowing the Company to acquire more automobile contracts. Fee income from fundraising activities plus existing cash balances are sufficient to fund operating needs at present levels. Management continues to judiciously oversee its expenses and adjust according to revenue and fundraising expectations. Net income from fund operations, while recorded in accordance with

generally accepted accounting principles in the current period, is restricted for use by the Company pending investor debt repayment as disclosed herein.

Results of Operations

In December, 1991, the Company sold its Search Oil and Gas Division and all operations, assets, and liabilities related thereto. Such activities for the quarter ended March 31, 1991 are shown in the current form 10-Q as discontinued operations, and accordingly no comparable activities for the quarter ended March 31, 1992 exist.

During the quarter ended March 31, 1992, the Company reported consolidated net income attributable to common shareholders of $31,000. These earnings are principally derived from income of the various ACAC funds. Fee income from fundraising activities was sufficient, along with existing unrestricted cash balances, to need general and administrative cost needs. Net interest income of $211,000 was principally earned from ACAC fund collections, net of investors' interest payments. Other income of $5,000 consists of oil and gas revenues from remaining Search-owned oil and gas reserves, which had a carrying value of $10,000 at March 31, 1992. The Company benefitted from the utilization of $21,000 of its approximately $2.4 million in net operating loss carryforwards during the quarter. Finally, ESOP preferred dividends of $32,000 were accrued during the quarter ended March 31, 1992, which amount was partially offset by $27,000 in interest income from Company's ESOP plan note receivable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEARCH NATURAL RESOURCES, INC.

DATE: May 14, 1992

BY: _____
Sam B. Myers, Jr.
Chairman of the Board,
President and Director

DATE: May 14, 1992

BY: _____
Richard L. Morgan
Vice President, Treasurer
and Director